

	A	B	D	E
3	SERVICEMEMBERS' CIVIL RELIEF ACT OF 2003 (SCRA)			
4	INTRODUCTION AND PURPOSE			
5	ABBREVIATIONS AND DEFINITIONS			
6	EXTERNAL REFERENCES			
7				
8	Yes/No/NA		Comments	
9	Section 518 - Exercise of Rights Under Act Not to Affect Certain Future Financial Transactions			
10	1. Does the creditor refrain from taking adverse action against a servicemember solely because the servicemember exercised rights under the Act? (50 U.S.C. App. § 518)			
11	Section 527 - Maximum Rate of Interest on Debts Incurred Before Military Service			
12	1. Did the creditor reduce the interest rate on obligations of a servicemember, or of a servicemember jointly with the servicemember's spouse, incurred prior to military service, to no more than 6 percent during the period of military service, upon receipt of written notice and a copy of the servicemember's military orders? (527(a)(1))			
13	2. Did the creditor forgive interest in excess of 6 percent? (527(a)(2))			
14	3. Did the creditor reduce any periodic payment due by the servicemember by the amount of the interest forgiven? (527(a)(3))			
15	4. Upon receipt of the written notice from the servicemember and a copy of the military orders, did the creditor apply the interest rate reduction retroactively to the date on which the servicemember was called to military service? (527(b)(2))			
16	Section 532 - Protection Under Installment Contracts for Purchase or Lease			
17	1. Did the creditor obtain a court order before rescinding or terminating contracts by a servicemember for the purchase, lease or bailment of real or personal property (including a motor vehicle) for any breach of terms occurring before or during military service, provided a deposit or installment had been paid prior to entry into military service? Similarly, did the creditor obtain a court order before repossessing property due to breach of terms? (532(a))			
18	Section 533 - Mortgages and Trust Deeds			

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3	SERVICEMEMBERS' CIVIL RELIEF ACT OF 2003 (SCRA)			
19	1. Did the creditor obtain a court order before selling, foreclosing or seizing real or personal property due to a breach of an obligation by a servicemember during the period of military service or within 9 months after without a court order? (533(c))			

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3	SERVICEMEMBERS' CIVIL RELIEF ACT OF 2003 (SCRA)			
20	Section 535 - Termination of Residential or Motor Vehicle Lease			
21	1. Did the creditor terminate the lease within the stipulated timeframe once the requirements for termination were met by the servicemember lessee? (535(d))			
22	2. Did the creditor refund the lease amounts paid in advance for a period after the effective date of termination within 30 days of the effective date of the termination of the lease? (535(e))			
23	Section 536 - Protection of Life Insurance Policy			
24	1. Did the creditor obtain a court order before exercising any right or option obtained under an assignment of the servicemember's life insurance policy made before the servicemember's military service, during the period of military service, or within one year thereafter? (536(a))			

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Comment: The SCRA became law on December 19, 2003, amending and replacing the Soldiers' and Sailors' Civil Relief Act of 1940, and is codified at 50 U.S.C. App. 501 et seq. The Housing and Economic Recovery Act of 2008 (HERA) amended several sections of this law. The law provides protections for military members as they enter active duty, and permits interest rate reductions on real and personal property loans granted prior to entry into military service. It covers issues such as rental agreements, security deposits, prepaid rent, eviction, credit card interest rates, mortgage foreclosure, insurance and tax payments. Some of the provisions of the law also apply to spouses and dependents of servicemembers.

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Comment: Abbreviations and Definitions:

Active duty - Full-time duty in active military service of the Army, Navy, Marine Corps, or Coast Guard. The term also includes commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration in active service. The term does not include full-time National Guard duty, except for National Guard members called to duty by the President or the Secretary of Defense for a period of more than 30 consecutive days.

Dependent - The servicemember's spouse, child, or an individual for whom the servicemember provided more than 1/2 of the individual's support for 180 days preceding an application for relief under the SCRA.

Interest - Includes service and renewal charges or any other fees or charges, except for charges for bona fide insurance.

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Comment: External References:

- (1) Veterans Benefits Improvement Act of 2004, Pub. L. 108-454
- (2) Housing and Economic Recovery Act of 2008, Pub. L. 110-289
- (3) 20 U.S.C. §1078(d), Federal payments to reduce student interest costs.

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Comment: Adverse actions taken could include, denial or revocation of credit, adverse reporting on creditworthiness to credit bureaus, change in terms of an existing credit arrangement, refusal to grant credit in substantially the amount or the terms requested, etc.

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Comment: The SCRA limitation on interest rates does not apply to federally insured student loans based on 20 U.S.C. §1078(d). The other provisions of SCRA, including those providing for a stay of proceedings and reopening default judgments, remain available to the military.

****Note,** that in the case of a mortgage, the 6% cap extends to one year following the end of military service. Interest under the SCRA includes all service, renewal or other charges and fees with the exception of bona fide insurance charges.

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Comment: The SCRA applies to an obligation or liability incurred by the servicemember before entering military service. The institution must apply the interest rate reduction throughout the individual's military service, for all credit products. No distinction is made between personal and business credit.

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Comment: ****Note,** the HERA sunsets the 9-month extension on December 31, 2010, and the SCRA reverts to the original statutory provision of 90 days.

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Comment: For a lease of premises, termination is effective 30 days after the first date on which the next rental payment is due after the date on which the written termination notice is delivered. For motor vehicle leases, termination is

effective the day the termination requirements* are met.

*To terminate a lease on a motor vehicle or property, the military member must provide the lessor a termination notice and a copy of the military orders. Also, for motor vehicle leases, the vehicle must be returned to the lessor within 15 days after the date of delivery of the written notice.

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Comment: If a military member assigns his or her life insurance policy to secure the payment of an obligation, before military service, the assignee of the policy may not exercise it during the servicemember's military service, or within one year thereafter, without a court order.